

Robert J. Medler
Director
Remedium Group, Inc.

A Subsidiary of W. R. Grace & Co.
6401 Poplar Ave., Suite 301
Memphis, TN 38119-4840

Tel: (901) 820-2024
Fax: (901) 820-2061
Email: Robert.J.Medler@grace.com

Remedium

January 9, 2008

U.S. Environmental Protection Agency
EPR-SR
1595 Wynkoop Street
Denver, CO 80202

Attn: Ms. Bonita Lavelle

Subject: OU3 RI/FS of the Libby Asbestos Site
Monthly Progress Report – December 2007

Dear Bonnie:

This progress report describes work completed for the month of December 2007, in accordance with Section IX of the Administrative Settlement Agreement and Order on Consent for Remedial Investigation/Feasibility Study dated September 2007. A discussion of the actions taken, sampling results, planned activities, modifications, and problems encountered, potential issues, anticipated delays, and solutions developed is provided below.

A. ACTIONS TAKEN

The following is a summary of the actions taken and progress made during the month of December.

- Submitted the draft OU3 Phase I RI Field Sampling Summary Report to EPA on December 10, 2007.
- Re-collected a surface water sample and associated QC samples from the tailings pond on December 12, 2007 (see discussion in Section D of this progress report).

B. SAMPLING RESULTS

All analytical results for mine waste, soils, sediment and surface water samples collected during Phase I (collected from October 2 through October 22, 2007) have been issued by the laboratories and are being validated and

entered into the OU3 database by SRC and NewFields. As of January 7, 2008, no results for Libby Amphibole analysis of tree bark, forest floor litter/duff or mineral soil samples had been received.

A report by Dr. Paul Sheppard of the University of Arizona Tree Ring Research Laboratory on the age dating of cores from select trees from which tree bark was collected during Phase I RI sampling was submitted to EPA on January 3, 2008.

C. PLANNED ACTIVITIES FOR NEXT TWO MONTHS

The following tasks are scheduled to be performed over the next two months.

- Participate in Ecological Task Force meetings (date and location to be determined)

D. PROBLEMS ENCOUNTERED/POTENTIAL ISSUES/ANTICIPATED DELAYS/SOLUTIONS DEVELOPED/IMPLEMENTED

Anomalous trip blank analytical results/re-collection of tailings pond sample. Benzene was reported above the primary drinking water standard, at 0.008 mg/L in the trip blank (Index ID P1-00274) associated with the water sample collected from the tailings pond (Index ID P1-00269) on October 13, 2007.

The tailings pond sample was re-collected by MWH on December 12, 2007 and submitted to the analytical laboratory for the entire suite of non-asbestos analyses. The field sample set was assigned an Index ID of *P1-00750*, a field duplicate sample set was assigned *P1-00751* and the trip blank was assigned *P1-00752*. The re-sampling was performed under a field modification approved on December 11 by EPA Region 8 (Approval Form LFM-OU3-08). Analytical results for the re-collected samples were received on December 24; all petroleum hydrocarbons were below their respective detection limits in the field sample, duplicate and trip blank.

Weather station power supply. Remote broadcasts from the OU3 weather station stopped transmitting around the end of November, 2007. When the problem was discovered, the station had stopped broadcasting for approximately two weeks. The data prior to the shutdown showed a gradual decline in battery power before the station stopped transmitting, which suggested that the batteries were failing. A technician visited the site around December 2, replaced the batteries, and the station was back on-line and operating normally for approximately one month. The station stopped broadcasting again on December 31, and a technician went to the site on January 3rd, replaced the system batteries and conducted several troubleshooting tests on the power module that transfers energy from the solar panels to the batteries. The module proved to be defective and needs to be replaced. The station is presently running on battery power until the

new part is shipped to the site for installation. It is anticipated that the part will arrive and be installed before the batteries are depleted.

If you have any questions regarding this progress report, please call Bob Marriam at (901) 820-2023.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Medler", with a stylized flourish at the end.

Robert J. Medler
Project Coordinator
Remedium Group, Inc.

cc: Michael DeDen
Lynne Gardner
Catherine LeCours
Robert Marriam